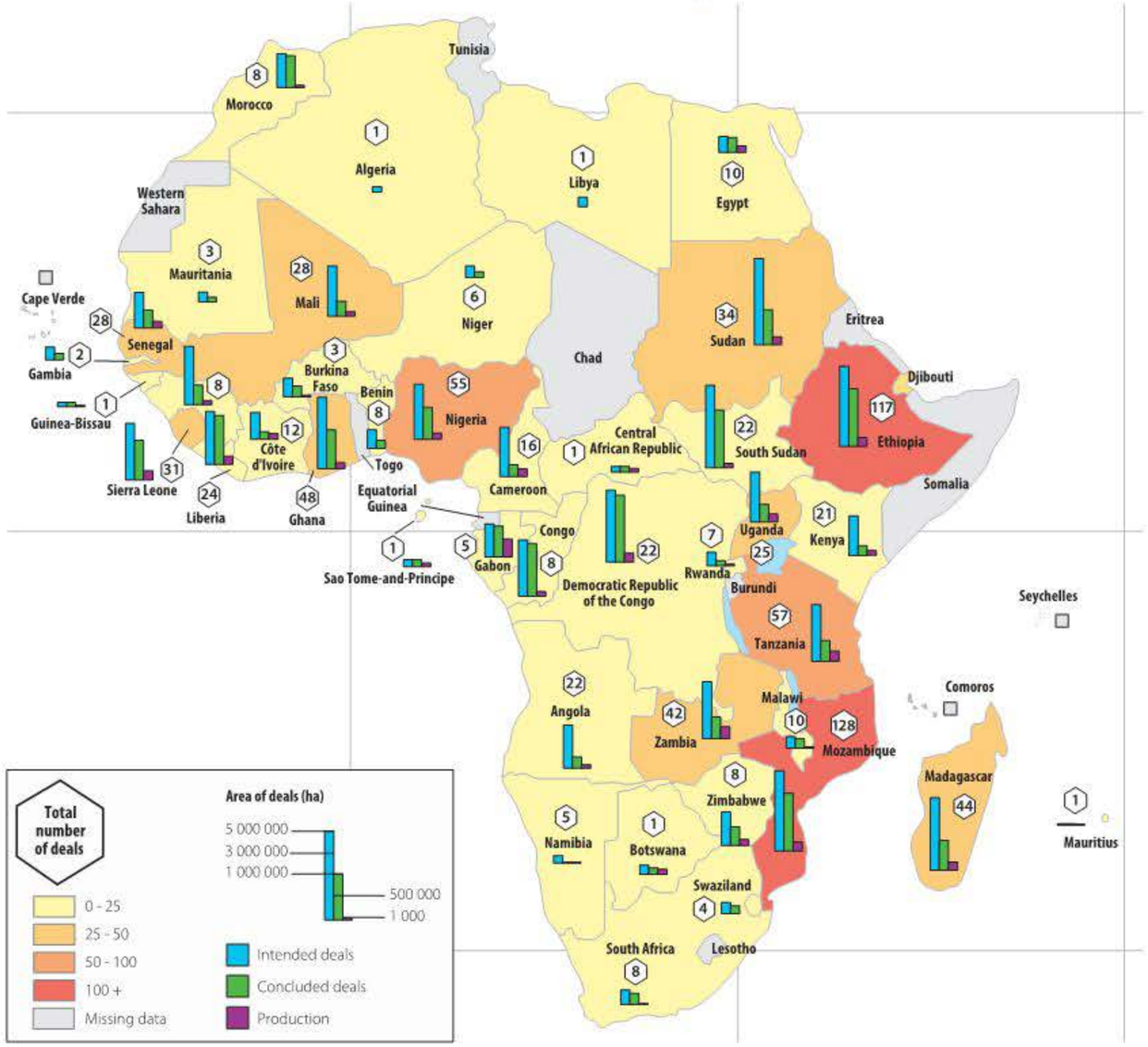
M29. Total Number of deals in Africa

Source Landmatrix. 2016



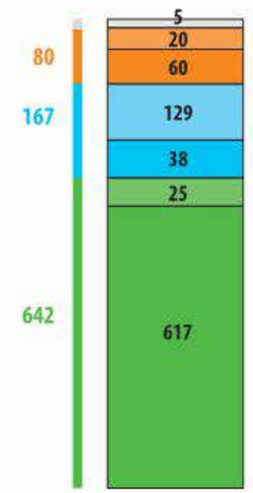
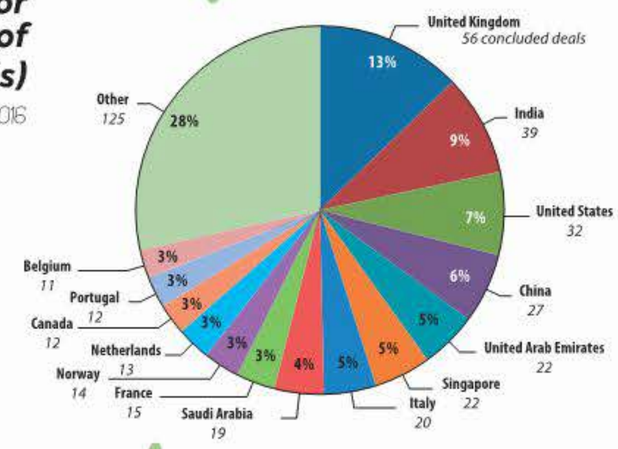


Fig. 14. Number of deals according to negociation status (2000 to 2015)

Source Land Matrix. 2016

Fig. 15. Main investor countrie's (% of all concluded deals)

Source Land Matrix 2016



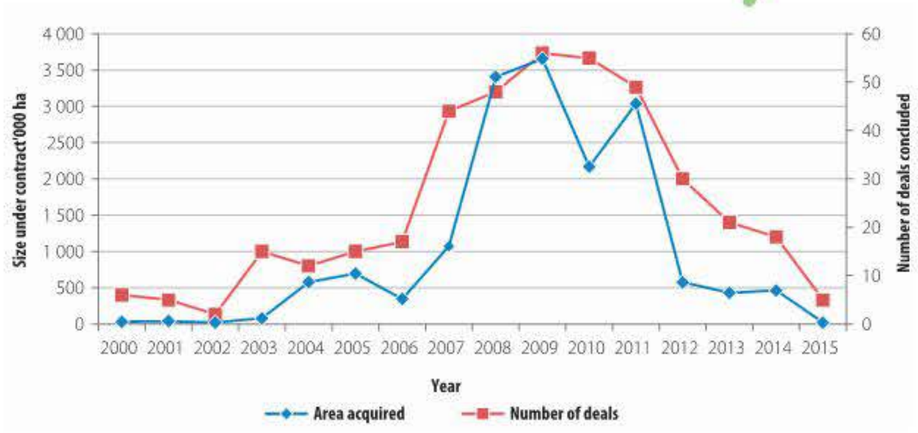


Fig. 16. Number of contracts and area acquired per year

Source Landmatrix 2016

TRENDS IN LARGE-SCALE LAND ACQUISITIONS IN AFRICA

Africa has seen a significant increase in large-scale land acquisitions (LSLA). Although LSLAs have since slowed down and their impact on production remains limited, they provide evidence of long-term trends of growing commercial interest in land. Investment by domestic actors receives less media attention, but is growing in importance.

• Africa – The main target for investors

Large-scale land acquisitions (LSLA) are the result of a global, ongoing phenomenon, which has accelerated since 2000. The multiplication of acquisitions has several converging roots, which, besides the long-term trends of population growth and dietary changes, include: agricultural commodity price fluctuations, incentives to produce biofuels (crude oil prices and EU policies), and pre- and post-crisis new financial rationales to include land in the diversification of asset portfolios. As such, not all investments are dedicated to food production, with a large number focusing on biofuel production and other crops characterised by increasing demand (such as rubber and cotton).

Africa is by far the most targeted continent where deals for agricultural purposes are concerned. According to the Land Matrix, it accounts for 642 concluded LSLA deals initiated since the year 2000, covering an area of nearly 23 923 007 hectares (equivalent to Kenya's agricultural land area). The top 10 African target countries concentrate half of all listed land deals worldwide.

This focus on Africa is strongly related to the host countries' agricultural and pro-investment policies. Numerous African governments consider these large-scale investments as a way to diversify their sources of funding in a context of decreasing development aid, to generate new income, and to modernise their agricultural sector (in response to the loss of confidence in small-scale family-based structures and to the misreading of their real capacities). This focus on Africa also results from the continent's reputation, often seen as fertile and water-rich with large tracts of underutilised land.

• Competition over land and conflicts

The most targeted regions, often characterised by high fertility and water access, are, however, also those with the most developed infrastructure and are often the areas most intensively used by local people. This observation therefore challenges the image of LSLAs as a development tool. It also highlights land use competition and potential and actual conflicts over land.

"Empty" lands are indeed rare in Africa. The diverse and complex local land tenure systems are often poorly understood and are not taken into consideration by national law, host governments and, subsequently, by external investors, which may potentially lead to conflicting forms of appropriation. Reactions to LSLAs at the local and national levels vary, from open conflicts with strong opposition in Senegal, Mozambique and more recently in Ethiopia, to "smooth" implementation processes in Zambia and Malawi.

• Great expectations? Land ownership changes without rapid changes in land production

Investors are (initially) seen by local communities and state representatives as developers: in regions with few or even no public services, expectations in terms of benefits are high and the numerous direct and indirect financial promises are welcomed.

However, even though interest in land remains high and LSLAs are ongoing, very few deals are actually implemented. Of the 642 deals concluded, only 199 are operational, with just 4% of the land contracted actually cultivated (representing only 1 000 470 ha).

In addition, for those projects that are implemented, information regarding the actual types of investment remains extremely limited: little is known about the level of mechanisation, the number of jobs created or the development of outgrower schemes with local farmers, and this questions the real impacts of LSLAs on local development.

• A number of large foreign stakeholders and an increase in domestic investors

The Western countries are still the main investors in land in Africa: the UK is the leading investor in the continent in terms of the number of cases considered. The emerging economies are also very present. This is the case of the BRICS countries (except for Russia), especially Brazil, South Africa, and China (although the latter, contrary to popular belief, is not the main player), other Asian countries (Singapore) and Middle Eastern countries – which are more active in the northern and eastern parts of the continent due to their geographic and cultural proximity. Whereas the Western countries are expanding their markets and economic influence in the food and agricultural sector, Asian and Middle Eastern investors, from countries rich in capital but with limited natural resources, are aiming to secure their national food requirements.

But LSLAs are not only a phenomenon led by foreign investors. The growing commercial interest in land has triggered domestic dynamics, with host country governments, local administrations, ruling classes and local entrepreneurs acting as partners, intermediaries and also stakeholders and direct beneficiaries. However, very little quantifiable data and information is available regarding the involvement of domestic actors in the rush for land on the continent. This information is necessary in order to reflect on the agricultural models to be promoted for sustainable and inclusive development in Africa.

MONITORING LARGE-SCALE LAND ACQUISITION

The data presented here is based on the Land Matrix, which may only reflect partial information; it is nevertheless a good basis to achieve a better understanding of the phenomenon, to formulate hypotheses and to develop initial analyses.

(see note page 69 for details on the parameters of monitoring).

Ward Anseeuw, Perrine Burnod, Jérémy Bourgoin, Ikageng Maluleke, Saliou Niassy